



Acquisition Today!

HAPPY NEW YEAR!!

The Army Contracting Agency Northern Region Newsletter

October 2006

Volume 4, Number 1

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Director's Corner

Joann Langston, SES

Director, ACA NR

I want to share with you the latest information on changes ACA and ACA NR and SR are about to make over the next several years. Perhaps you heard discussions or saw draft PowerPoint slides about the upcoming transformation of the Army Contracting Agency. As has been presented to the ASA (AL&T), ACA will "reshape" into two PARCs within the Continental United States (CONUS), the PARC - DOCs and the PARC - Centers.

While the names for these entities are still fluid, the concept is to have one PARC office (now called ACA NR) responsible for all installation contracting offices (currently known as DOCs) and one PARC office (now called ACA SR) responsible for centralized contracting offices located at centers across the country.

To read more about what is ahead, please click [here](#).



**Joann Langston,
Director ACA NR**

Across the Region

News from our DOCs and Centers

Aberdeen Proving Grounds

Dale Reavis, Contracting Officer at the **APG DOC**, receives a letter of appreciation from **MG Hernandez**, Commander, Human Resources Command, for her support to the renovation of the Joint

Agency.

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Newsletter
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This newsletter is intended to increase communications between the ACA NR Headquarters staff and the region's contracting offices.

Your input is vital. Please email the newsletter editor with news, ideas, opinions and calendar events for everyone to share.



Figure 1

Dale Reavis, Contracting Officer at the **APG DOC**, receives a letter of appreciation from **MG Hernandez**, Commander, Human Resources Command

Personal Effects Depot. The JPED receives and processes all personal effects of soldiers killed in the GWOT. Ms. Reavis served as the KO for this high-visibility, fast-track renovation project at APG.

Martha Mitchem attended the PCO Symposium 10-13 July in Miami, Florida. Dennis Bolen, Alternate A/OPC, conducted Government Purchase Training on 19 Jul 2006 to 9 cardholders and 3 billing officials covering micropurchase policies and procedures.

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The **APG DOC** enjoyed their 3rd annual organizational day picnic. The dress for the day was western and we enjoyed costume and dessert contests, karaoke, hot dogs and hamburgers which made for a very good social day for everyone including family and retirees.

GPC Vigilance pays off. The 23 June edition of the Washington Post carried a story about APG employees being indicted for GPC fraud. The text of the story was provided to the ACA leadership via e-mail. This indictment was founded on the APG DOC's GPC program inspection plan. Customer activity GPC programs are selected for review based on a risk assessment. The APG DOC has partnered with the garrison Internal Review and Audit Compliance office to conduct detailed reviews of customer GPC accounts and procedures. It was such a review, and an APG DOC scrub of transaction reports, that identified potential fraud. The APG DOC GPC Program Manager continues to do an outstanding job in training cardholders and billing officials, performing program oversight duties, and taking proper action when deficiencies and improper practices are identified.

National Disability Employment Awareness Month activities. **Dennis Bolen**, Alternate A/OPC and **Pat Huber**, Small Business Advisor, are planning a presentation on 12 Oct for DOC personnel during National Disability Employment Awareness Month. **Fred Puente**, Director of Blind Industries and Services of Maryland and **Renee Alonso**, JWOD Marketing Director, Office Eagle, will provide an overview of their employment program.

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Government purchase card training of 26 individuals by the A/OPC, **Diane Schneider**, was conducted on 13 Jun covering micropurchase policies and procedures. **Rene Alonso**, JWOD Marketing Director, Office Eagle, briefed how Office Eagle supports the JWOD program through employing handicapped employees and selling JWOD products to APG.

Several members of the DOC attended the Office Eagle open house appreciation day. We were able to meet and talk with several JWOD vendors and enjoyed refreshments.

Calvin Peake, Procurement Technician, completed ACQ 101, "Fundamentals of Systems Acquisition Management."

Amy Hamilton, Purchasing Agent, completed CON 120.

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Army Reserve Contracting Center

Visit to HQ USARC. On 14-16 August 06 the Director and Deputy Director ARCC paid an office call at HQ USARC. They visited with the Contract Administration Support Office (CASO) and briefed Chief of Staff BG Anderson on issues pertaining to ARCC support to the Army Reserves in the new BRAC configuration. One stop for them was also the PAO to make plans for the ARCC input into the quarterly Army Reserve Magazine.

During the week of 24 July 06, **Ray Blauvelt** conducted GPC training for the 63rd RRC in Los Alamitos, CA and Vallejo, CA.

Ray Blauvelt and **Chris Lehtinen** attended the Ninth Annual SmartPay Conference in St. Louis, MO from 31 July – 4 Aug. Earlier, they conducted GPC Training on 19 July 2006 on Fort Dix, NJ for 31 students from Fort Dix, the 81st RRC, and AR-MEDCOM.

ARCC Deputy Director **Pamela Lutz** conducted "Contractors in the Workplace" training on 19 July 06 to managers and employees at the 63rd RRC, Los Alamitos, CA.

Awards winner! The **ARCC** Associate Director of Small Business-**Raymond Blauvelt** was the recipient of two awards for his accomplishments: ACA Small Business Specialist of the Year and U.S. Army Small Business Specialist of the Year 2005. Mr. Blauvelt and ARCC Deputy Director-**Pamela Lutz** attended the U.S. Army Small Business Council meeting in Las Vegas, NV on 29 June 2006 where Mr. Blauvelt was presented his award.

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ARCC Deputy Director **Pamela Lutz** and SERO Competitive Sourcing Office Representative **Samuel Shockley** visited **Fort Buchanan, PR** the week of 19 June 2006 to develop strategies to prepare for the Buchanan Competitive Sourcing of the DPW/DOL. Pamela Lutz addressed the affected workforce to talk about the acquisition process, source selection process, and strategies for the workforce to position them to be competitive in the competition.

ARCC Senior Procurement Analyst **Beth Mendell** provided PRWeb Training on 20 June 2006 to **Fort Buchanan, PR** staff and QAR/QAE training on 22 June 2006 to 65th RRC, Fort Buchanan, and DOD School personnel.

ARCC Associate Director of Small Business-**Raymond Blauvelt** On 14 June 2006 participated as an exhibitor at the 15th Annual Procurement Expo hosted by the NJ Small Business Development Center in Somerville, NJ. The event was attended by over 250 participants. During the event, Ray spoke with numerous small business owners.

ARCC Contracts Branch welcomed **Ryan Parker** on board as their Contract Administrator.

Devens Satellite Office

Beth Castriotta-Contract Administrator held GPC training for the ROTC to over 50 individuals on 23 August 06 and on 18 July 2006 for the 104th Chaplain Detachment. **Diane Fillebrown** is recovering from surgery and wishes to thank everyone for their support during this time. Along with that the entire Devens team has pulled together during Diane's' absence to keep the office running smoothly. **Andrew Clark** joined the staff as a Contract Specialist. He comes to the ARCC Devens Satellite Office with an Air Force background in contracting. He processed 26 close outs in two days for the office.

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West Coast Contracting Office (WCCO-DOC)

Contract Administrator **Sherry Eldridge** put 8 contracts in place for hotel accommodations for the 91st Division training at Fort Bliss, TX. Contract Specialist, **Bernie Caguiat** was at Fort Hunter Liggett during the month of August to help the customer prepare procurement packages, to network with and educate vendors, and provide general assistance in preparing for fiscal year end. Contract Specialist **Vincent Chua** worked his last day on 27 June 2006. Vincent has taken a position with the Fish and Wildlife Commission. Contract Specialist **Bernie Caguiat** attended CON 244-Construction Contracting.

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Seattle Satellite Office

Wayne Hallburg attended the Ninth Annual SmartPay Conference in St. Louis, MO from 31 July – 4 Aug. Contract Specialist-**Dean Hays** completed CLC-026 Section 889 Performance Base Payments Overview. **Wayne Hallburg**-Senior Contract Administrator attended Navy SPS WAWF and FPDS-NG training in Bremerton, WA on 14 June 06. The primary instruction focused on FPDS-NG with very little WAWF information.

Fort Totten Satellite Office

Contract Specialist **Lisa Assim** completed CON 100. All staff attended GSA E-Buy procedures presented by GSA Region II.

North Little Rock Satellite Office

Jeanne James attended the Ninth Annual SmartPay Conference in St. Louis, MO from 31 July – 4 Aug and the Army Procuring Contracting Officer Training Symposium in Miami, FL 10 -14 July 2006. **Reta White**-Contract Specialist accepted a position at Fort Leonard Wood, MO. Her last day was 18 August 06. The Satellite Office has relocated across the hall and has been busy setting things up in their new offices. Contract Specialist **Jennifer Winkler** completed CON 204.

Fort Dix

On 20 July 2006, **LTC Richard S. Edler** assumed his duties as Commander of the Directorate of Contracting, Fort Dix, NJ. Assumption of Command ceremonies were held at the Fort Dix Community Club. Attending were Mr. **Bryon Young**, ACA; **COL George Blackwell**, ACA; **Ms. Joann Langston**, ACA North Region; **Ms. BJ Eldien**, Fort McCoy, and the staff of **Fort Dix** and the **Army Reserve Contracting Center**. LTC Edler left his assignment as Chief of Contingency Contracting, ACA Pacific Region to assume his duties with the Army Reserve Contracting Center. He replaces **LTC Daniel Perrotta** who will assume his new position as Chief of Staff, Fort Monmouth in early August. **David Hess**-Contract Specialist provided on-site assistance to the **Birmingham Satellite Office** from 17 July 06– 4 August 06. Contract Specialist-**William Louie** completed CON 243. The **Dix DOC** has begun the process of investigating the use of the Department of Energy's ESPC program at the request of the Dix RDPW. Mr. **David A. Brown**-C, Contracting Division attended the Introduction to Energy Savings Performance Contracting (ESPC) with Department of Energy Super ESPC Workshop, June 13 – 14, 2006 in Annapolis, MD.

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Fort McCoy

Ms. Bernadette Honish-Procurement Analyst and A/OPC for the GPC Program has accepted a position overseas. Her last day was 5 September 2006. At the end of June, 2 longstanding and extremely knowledgeable Contract Specialists retired: **Mr. James Pischke** retired with almost 30 years of federal service. Jim joined the Contracting Office-Contracts Division in 2003 and quickly became the go-to Contract Specialist for a myriad of commodity and service buys. **Ms. Claudia Derringer** retired with over 20 years of federal service most of which has been in Contracting. We wish both individuals the best in their retirement.

Stephen Loftus completed CON 210 and 234. **Linda Marten** attended the Army Procuring Contracting Officer Training Symposium in Miami, FL 10 -14 July 2006. **Dave Olson**-Small Business specialist attended a Service Disabled Veteran-Owned Small Business event in Milwaukee, WI on 22 June 2006 and spoke with firms that may be able to assist Fort McCoy in meeting the SDVO goal. There were a total of 33 firms in attendance.

Wichita Satellite Office

Senior Contract Administrator **Sue Steiert** attended the Army Procuring Contracting Officer Training Symposium in Miami, FL 10 - 14 July 2006.

Minneapolis Satellite Office

Contract Specialist **Richard Hall** completed CON 237 and CON 120. **Mr. Mike Evans**-USARC Family Programs presented the **Minneapolis Team** plaques and one each USARC Commander and CSM coins for their support of the family readiness program.

Salt Lake City Satellite Office

Contract Specialist-**Allan Cook** completed CON 260.

Los Alamitos Satellite Office

Contract Specialist-**David Robbins** reported to work the end of June.

Birmingham Satellite Office

Conducted GPC training on 20 June 2006 to a class of 56 students.

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Fort Buchanan

Maria Otero attended the PCO Symposium sponsored by ACA in Miami 10-14 July, Darden Training 24-28 July and again 21 August

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06 – 1 September 06. Identified contracts offloaded by IMA to non-DOD activities and requested requirements to be issued by this office. Contract Specialist **Dora Navedo** volunteered and deployed to Iraq on 23 July 06 for a 6-month assignment with the COE

Coraopolis Satellite Office

Contract Specialist **Bryan Boland** attended Construction Contracting class. GPC Training was conducted for the 99th RRC via distance learning.

Fort Carson

Nichole Mintus, our Fast Track Student arrived 10 July 2006. **Dan Brown**, currently Team Lead/Contracting Officer in the Services Division was selected for a promotion to the Services Division Chief position.

Mission success through successful teambuilding. The ACA NR Construction Branch in the **Fort Carson DOC** awarded a new contract for site preparation for the new Brigade Combat Team in less than 3 weeks from the initial meeting with the COE to contract award in spite of a delay of 3 days to obtain certified funds. Putting together a team consisting of the Army Corps of Engineers, ACA NR, DOC and contractor personnel really pulled together to award this project. Just as noteworthy was the support team- the Small Business Administration expedited the approval of the project into their program and supported the selection of the contractor; local Contract Attorney **Russ Hamilton** provided a detailed legal review and some good recommendations to improve the action; and **ACA NR HQ** installation analyst **Randy Loeb** prioritized the review of the award documents and facilitated a quick award. The normal review/approval process alone could take up to 3-4 weeks for a project this size. We are fortunate to have such dedicated individuals at Fort Carson and ACA NR HQ. They are truly a great team!

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Capital District Contracting Center

Commander in Chief **George W. Bush** spoke to the troops while he and Iraqi Prime Minister **Nouri al-Maliki** visited Fort Belvoir on 26 July.

Contract Specialist, **Pauline Gholson**, has accepted another position at Surface Deployment and Distribution Command (SDCC), formerly known as the Military Traffic Management Command

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| <p>Contact Us</p> <p>ACA NR Home page www.aca-nrhq.army.mil</p> <p>Newsletter Editor Joe Myers 757-788-3799 joe.myersjr@us.army.mil</p> | <p>(MTMC). Her last day at CDCC was 4 August.</p> <p>Members of CDCC and the associated DOC's participated in a three-day training class on Simplified Acquisition and a two-day training class on Commercial Item Acquisition. Both classes were conducted at Fort Belvoir.</p> <p>CDCC sponsored the JOB EXPO at the SOSA Center, Ft. Belvoir, VA on June 22, 2006. The EXPO brought together businessmen who are working on the base, as well as potential contractors looking for job opportunities. The garrison staff was invited to attend to meet the contractors. Over 50 contractors were available to meet with government staff throughout the day. Both garrison staff and contractors reported the EXPO as a success.</p> <p>Fort Meade Ms. Linda Weddington, GS-1102-11, retired 31 July 06.</p> <p>Fort Myer Hosted its first Contracting Officers Representatives (COR) course. The course will occur every third Tuesday of the month until all CORs have completed both the local course and the on-line course (NLT 90 days). After 90 days the course will be taught quarterly. The Deputy FMMC, Sylvester Cox, retired as of 1 July 2006.</p> <p>National Defense University DFAS and NDU Contracting conducted Wide Area Work Flow (WAWF) training 17-21 July. NDU was selected as one of the training sites in the National Capital Region. WAWF is a DoD Wide application designed to eliminate paper from the invoice, receipt and acceptance process in the contracting lifecycle. The goal is to enable authorized Defense contractors and DoD personnel the ability to create invoices, receive reports and access contract related documents.</p> <p style="text-align: center;">Back to top</p> <p>Dugway Proving Grounds Chris Appel attended CON 202. He enjoyed the class and said it was very helpful. Eric Vokt went to the PCO Symposium and stated it was great. Contract Specialist Kent Chugg (US Army Reserve), was deployed to Iraq this past month. There was little warning of his leaving, with only a 2-day notice, but we sent him off with good wishes and orders to "be safe!" Gene Casteel attended Intermediate Contract Pricing course (CON- 204).</p> <p>Office employees traveled over the mountain to Tooele Army Depot</p> |
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for Wide Area Work Flow Training. The class was very informative but involves a very different means of receiving/acceptance. There are additional sessions being held for CORs, supply personnel and others involved in the process.

Having good luck with Native American Firms and Alaskan Native Corporations. We awarded a sole source 8(a) contract to a Native American firm for Network and Telecommunications work. Award was made to Suh'dutsing Technology – a telecommunications company founded in 2003 by the Cedar Band of Paiutes in Cedar City, UT. Estimated value of the five year (one base and four options) contract is \$8 million. The contract is the largest to date for the company. The CEO came to Dugway for a formal contract signing. Articles on this contract appeared in both major Utah newspapers – the Deseret News and The Salt Lake Tribune. Suh'dutsing has been performing exceptionally well on a current contract for IT help-desk at Dugway.

Anticipate awarding another sole source 8(a) contract to Native American firm NWB Technologies within the next week. NWB Technologies was founded by the Northwest Band of Shoshone Indians and is out of Brigham City, UT. The contract is for Paving, Asphalt, and Concrete work. Contract will be one year with four options and is estimated at \$10m.

We are also strategizing with an Alaskan Native firm on an IDIQ contract for modular facilities and other logistical requirements for West Desert Test Center (WDTC). We have come up with an innovative solution to the logistical nightmares of locating and relocating various equipment and facilities at a moment's notice, for the Chem/Bio test mission at WDTC.

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Fort Drum

Award Winner! *Guy Hunneyman*, Fort Drum's GPC Agency Program Coordinator, received ACA's Excellence in E-Business Award and the **Fort Drum DOC** received ACA's Excellence in Acquisition Leadership (Team) Award for FY05.

Mary Ann Koch is commended for her exceptional performance as a Contract Specialist during the period 1 March through 30 June 2006. During this period Ms. Koch distinguished herself as an outstanding contract specialist by balancing her demanding procurement workload, supporting the Director of Contracting on a short suspense requirement, while bringing to fruition to two key

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installation contracts. The assistance she provided customers in the development of their performance work statements and cost estimates, especially her work on the installation's Personal Property Shipping Office service contract requirement is exceptional.

Interns **Tom Youngs** and **Joshua Kaufmann** recently completed all requirements for Level I certification.

Annie Semo is a member of the Army Acquisition Neckdown Initiative (AANDI), Procurement and Contracting Team, which identifies and documents redundant automation processes across the Army.

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Pilot for electronic contract payments: **Fort Drum DOC** has been nominated by Department of Defense as a pilot site for implementation of C.A.R.E. ACCESS ON-LINE (AXOL). Among other new features, AXOL will enable activities to process electronic contract payments. Under the traditional process, the DOC uses the government purchase card (payment card) to process a number of contract payments for Fort Drum activities/units each month. Although vendor payments by U.S. Bank are electronic, payment by DFAS to U.S. Bank for all monthly actions involving multiple lines of accounting (LOA) with the payment card requires an Excel spreadsheet to be manually prepared and sent to DFAS. These LOAs are manually typed in at DFAS from the Excel spreadsheet and then disbursed against a contract LOA. This process takes time, creates opportunities for errors, and ultimately delays payments by DFAS to U.S. Bank, resulting in interest penalties and lower rebates being earned by the Government. This new process will improve accuracy and will allow DFAS to pay U.S. Bank faster, resulting in virtually no interest penalties, with increased rebates being earned and paid back to the Installation. As a result of this initiative, Fort Drum estimates that the file-turn time on the Payment Card account will be reduced from an average of 38.5 days to less than 25 days. This alone will result in an estimated \$5,000 in additional rebates/month based on a \$2 million monthly statement for Fort Drum.

WELCOME to our newest DOC employees, **Kathleen Harner** (assigned to Purchasing Division) and **Daniel Rowley** (assigned to Acquisition Division). **Fort Drum DOC** hailed new employee, **Anthony Sligar**, in June. He is a DA Intern and he wasted no time in entering into OJT rotational assignments as well as completing several on-line DAU courses. **Denise Thompson**, Contract

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Specialist, left **Fort Drum DOC** in June for a procurement position at the Pentagon.

Civilians of the 2nd quarter FY 06- *Jean Marie Marriam* is highly commended for her exceptional performance as a Contract Specialist during the period 1 January through 31 March 2006. Although faced with realigned workload due to departing employees or purchases for unique and technical items and services, she never hesitated and performed her work with enthusiasm. Her hard work and "can do" attitude results in timely deliveries and performance of installation contracts and reflects great credit upon herself, Fort Drum, and the United States Army.

Paula Doran is commended for her exceptional performance as a Contract Specialist during the period 1 January through 31 March 2006. During this period Ms. Doran distinguished herself as an outstanding contract specialist by balancing her demanding procurement workload with providing key procurement training to the Directorate's Interns while bringing fruition to several key installation service contracts. The assistance she provided customers in the development of their performance work statements and cost estimates, especially her work on the installation's new full food service contract requirement, was exceptional.

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Carol Romeo attended CON 260B (The Small Business Program) at Fort Belvoir 23-25 May. Upon her return, Ms. Romeo shared course information with all employees regarding assistance to small businesses through inclusion of items in monthly newsletter. She also attended SBA's Matchmaker/Expo event in Buffalo, NY on 10 May. She met with over 40 small businesses and discussed their capabilities and how to do business with Fort Drum and other Government agencies.

DOC personnel (***Carol Romeo*** and ***Daniel Rowley***, local intern) participated in a SBA workshop for small businesses held at Syracuse, NY on 26 Jul. After both events, the businesses' capabilities were shared with all of DOC.

John Stinson attended the Procurement Contracting Officer's Training Symposium in Miami, FL in July and subsequently briefed all our 1102s.

Fort Riley

Innovative reports created. Via ACBIS, ***Mr. Boyd*** constructed

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local reports capable of providing Acquisition Lead Time data by type of contract action; i.e. SAP, Construction, Delivery Order, Modifications, etc. Results are compared to our DOC Action Plan CALT goals and graphed in a PowerPoint presentation for use by the workforce to monitor goal success.

In addition to our regular monthly GPC class, we conducted a second cardholder and billing official class for the Combat Aviation Brigade. Purpose was to educate 1st ID program users arriving from Germany with Fort Riley specific requirements and allow them to meet representatives from the functional areas across the Installation with whom they will be working (PW, DOIM, etc.)

Henry Drive Bridges. Official ribbon cutting and opening for both the railroad and river bridges was held on 7 July marking completion of this one year, \$6.3M renovation effort. These bridges will re-open the corridor allowing access by the airfield to Main Post and I-70. On time completion is credited to a good contractor and weekly partnering meetings with it, PW and DOC to ensure the timely resolution of issues.



DOC Relocation. Successfully moved from the Airfield to Custer Hill with minimal downtime. **DOC Riley** is transformed from 'Air Assault' to ACA's Armor attack DOC—"DOC Dreadnaught". Below is a photo of a few staff members standing with our new tactical contract enforcement vehicle cleverly disguised as yard-art.

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Northern Region Contracting Center

Charlie Division welcomed two new employees in August. **Mr. Charles Smith** is a Fast Track Student Trainee, currently attending Hampton University on a ROTC scholarship and member of the Virginia National Guard. **Mrs. Marva Elie** is our newest Procurement Analyst, who comes to us from the McDonald Army Health Center, Fort Eustis.

Charlie Division said farewell to a retiring Procurement Analyst, **Ms. Angela Gionis**, who after 26 years of Federal service has decided to hang up the FAR and go far – on travel adventures as a tour director accompanying tourists on overseas vacations to Greece and other places.

Charlie Division sponsored the **NRCC** Acquisition Day on 7 June 2006. There were a variety of current acquisition topics briefed by presenters from the Northern Region Headquarters staff, DCAA, NRCC legal, Small Business, and Charlie Division. Topics included Acquisition Plans/Strategy, PPIMS, Small Business and Market Research, POM/PNMs, J&As, FOIAs, DCAA services available, contract administration, and the NRCC Links Intranet management reports. It provided a much needed opportunity for earning CLPs. The Acting Director signed appreciation letters to all presenters for

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their contribution to keeping the NRCC staff abreast of acquisition issues.

Congratulations to **Ms. Laura Waters**, Agency/Organization Program Coordinator, NRCC/Fort Eustis, as the ACA NR recipient of the US Bank Government Services 2006 Outstanding Achievement Award for Innovation.



Pictured at from Left-to-Right are: Ms. Katheryn King (U.S. Bank DOD Relationship Manager), Ms. Laura Waters (Level 4 A/OPC, Army Contracting Agency, Northern Region), Ms. Elaine Pearson (Level-3 A/OPC, Army Contracting Agency, Northern Region), and Mr. Ray Estrada (U.S. Bank Department of the Army Relationship Manager).

Traditionally, the vessel team carried large sums of cash and often ran out of money during deployment. In addition, there were instances of unauthorized purchases and lost receipts for transactions. Proper oversight and accountability posed an ongoing challenge. Laura utilized her expert technical skills (previously the SA for **Fort Eustis DOC**) and GPC experience to develop a process to issue purchase cards by vessel number. This avoids issuing and canceling cards

when new team members are assigned to the vessels every 6-9 months.

Cards are maintained in a locked safe within the DOC office and signed out by various supply officers as they are deployed. All GPC transactions are reconciled and cards are returned to the DOC office when the vessels return from deployment. This eliminates the need for units to carry large sums of cash, eliminates paperwork (SF-44s), improves oversight by providing a clear audit trail, and ensures the vessel team has financial support during deployments. The billing official remains state-side, so invoices are certified shortly after the billing cycle ends and rebates are maximized. Kudos to Laura...Your achievement reflects great credit upon you, ACA NR and the U.S. Army!

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Fort Leavenworth

Nicole Carnicky, the new Chief, Construction Division, reported for duty on 12 June 2006. **Mike Pilat** retired on 24 August 2006. Five individuals attended an audio conference on Anti-Deficiency Act issues, on 18 July. This training was coordinated by DCSRM with ASMC. **Curtis Cummins** and **David Westall** recently

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completed CON 100, Shaping Small Business Arrangements. Mr. Cummins also completed CON 112, Mission Performance Assessment.

Carlisle Barracks

Karen Kurzendoerfer was selected to replace **LTC David Brigham** as the Director of Contracting upon his departure.

James Johnson was selected to fill the vacant contract specialist position and reported in July.

West Point

LTC Kelly Campbell had his farewell luncheon on 21 June and had his award/ retirement ceremony on 22 June. Both events were well attended not only by DOC personnel but by our customers. He is preparing to move to South Carolina next week where he will be settling with his family. He is already missed by all of us. He was replaced by **Dave Bugger** who was promoted to the position of Director.

LaVerne Astroth left on 9 August 2006. She is a relative newcomer, and has done well in her almost 3 years in the DOC. Her husband is retiring from the military and they are moving to Texas. She will be on LWOP until 30 September in hopes of getting federal employment in Texas.

Pat Hannon, one of our best senior contract specialists, has been selected for a GS-12/13 position at the National Guard Bureau in the DC area. She is undergoing a background check that is expected to last about a month. A release date will then be established. **Ken Owen** accepted a promotion with DLA in upstate New York. His last work day was 1 September.

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Unusual Things We Purchased

Fort Drum - Purchasing Division procured a 200' to 1" three dimensional terrain model of the Fort Drum Cantonment area to include the Wheeler Sack Airfield. The model will have over 2,000 buildings and will be used to simulate various Force Protection scenarios. The procurement was made using a combined synopsis/solicitation requiring potential vendors to supply a 12"x12" sample model for evaluation by the requiring activity. The purchase order was awarded to Gamla Model Makers of Feasterville, PA in the amount of \$60,000.

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Congratulations to our award winners

Please congratulate our FY 05 ACA award recipients. Six of our deserving workforce members are among the 18 individual award recipients. Fort Drum won one of the three team awards for Outstanding Directorate of Contracting, Fort Drum DOC team, and ACA Excellence in Acquisition Leadership.

Christine Pallaza

NRCC

Outstanding Contracting Officer

Sherrie Plonski

ARCC

Outstanding Contracting Specialist

Guy Hunneyman

Fort Drum

ACA Excellence in Business

Raymond Blauvelt

ARCC

ACA SADBUS of the Year Award

Luis Mojica

ARCC

James H. Edgar Award for Professional Growth

James N. Edwards

Fort Lewis

Lifetime Achievement Award

"I'm very proud of the accomplishments of our folks and am very happy to say 'Congratulations.'" ***Joann Langston***

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Changes in our midst

In case you did not hear about changes in our midst:

Dave Bugger was promoted as the Director, **DOC West Point** and

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took charge in July 2006. **LTC Kelly Campbell** has retired and moved to South Carolina. **Karen Kurzendoerfer** has been selected as the Director of **Carlisle DOC**, NRCC. Karen became the Director, DOC Carlisle upon the departure of **LTC Dave Brigham** who departed this past summer.

ACA NR: Sue Gonser has been selected as the Chief, of the Business Systems Division, ACA NR. This is a temporary promotion and commenced when Bruce Cogossi left in August to attend ICAF.

ACA SADBUs: Michelle Currier was selected by Mrs. Sieber as the ACA NR SADBUs and will begin when she returns from the Senior Leadership Development Program in early September.

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Remember...

Please remember our colleagues who are overseas.

During this time of military actions and increased OPTEMPO around the world, remember our fellow military and civilian contracting and contingency contracting people- from all of the military services and civilian agencies- currently serving in Afghanistan, Iraq, and other overseas locations.



Doug Packard, ACA NR, has been in Iraq since April 2005.

LTC Craig DeDecker, NRCC, is currently the Principal Assistant Responsible for Contracting-FORCES (PARC-Forces), Joint Contracting Command- Iraq since April 2006 and will be returning in October 2006.

Robert Winne, NRCC, is currently serving in Iraq (see below).

Becky Rittenhouse, Fort Riley, and **Anne Tucker, Fort Carson**, are deploying to support the Army Corps of Engineers recovery efforts from Hurricane Katrina.

View From The Trenches

Sean Broadway, Contract Specialist from the **Fort Eustis DOC** went to Alabama to help with Hurricane Katrina cleanup. To read about his experience, click [here](#).

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Robert Winne from **NRCC** is currently working at the Joint Contracting Command- Iraq/Afghanistan (JCC-I/A) in Iraq and will return in mid-October. He sent his impressions of working in a war zone. Click [here](#) to read them.

Found during the last week of September

WHAT HAPPENED TO MOMMY?

Anonymous

When Labor Day passes, I sometimes can't sleep at night.
But it's not the new school year that fills me with fright.
It's a different kind of scary, kind of like Halloween
And it happens each September to my mommy's work team.

You see my mom works in contracting, for the good ole US of A
And fiscal year end is not far away.

My mom stays late at work and gets home after dark.
She's tired and moody and sometimes she barks.
I think mom is pretty, but her face has lines that were not there
before.
And her eyes they are sunken and she shakes as she comes in the
door.

I can hear her mutter bad things about someone named PD2
If you could see her and watch her you'd be worried, too.

My friends won't come over, for they are afraid.
My teachers all ask me, "who dressed you today?"
There's no food in the fridge and no clean clothes on hand.
And you know what mom packed for my lunch? Green beans in a
can!

Mr. President I ask you, to please help those of my kind.
Who thought of this fiscal system, were they out of their minds?
Every September, it's always the same
It's serious business and no child's game.
But why do I have to suffer because others can't plan?
And wait to spend all their money so they don't have to return it to
Uncle Sam.

I'm lonely and hungry and starting to smell.
I don't know if I can make it until 1 October...
I guess only time will tell.

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On the regulatory radar

Did you see this during the last week of the fiscal year?

Effective September 28, 2006, the micro-purchase threshold (FAR 2.101) changed from \$2,500 to \$3,000. Other changes include the FPDS reporting threshold (FAR 4.602(c)) increased from \$2,500 to \$3,000, the commercial Items test program ceiling (FAR 13.500) rose from \$5,000,000 to \$5,500,000, the cost and pricing data threshold (FAR 15.403-4) increased from \$550,000 to \$650,000 and the prime contractor subcontracting plan (FAR 19.702) floor is up from \$500,000 to \$550,000, although for construction (\$1,000,000) the amount is unchanged. For more information, click [here](#).

Legal Briefs

Roger Neds

Chief, General Counsel, ACA NR HQ

In virtually every major procurement, there is some aspect of the acquisition where the customer has consolidated requirements in the contract vehicle. Consolidation, or "bundling" has been a great source of political concern resulting in legislative and regulatory changes and, as a result, our customers are confused and frustrated. There have been many changes since the last time we discussed bundling in this column. Click [here](#) for an updated look at this topic and how to effectively deal with it on a day-to-day basis.

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Feedback is always
welcome!

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Send your ICE

Director's Corner

Joann Langston, SES
Director, ACA NR

I want to share with you the latest information on changes ACA and ACA NR and SR are about to make over the next several years. Perhaps you heard discussions or saw draft PowerPoint slides about the upcoming transformation of the Army Contracting Agency. As has been presented to the ASA (AL&T), ACA will “reshape” into two PARCs within the Continental United States (CONUS), the **PARC - DOCs** and the **PARC - Centers**. While the names for these entities are still fluid, the concept is to have one PARC office (now called **ACA NR**) responsible for all installation contracting offices (currently known as DOCs) and one PARC office (now called **ACA SR**) responsible for centralized contracting offices located at centers across the country.

In very general terms, the DOCs would be the local face-in-the-field, taking on the operational contracting mission- the local garrison support plus tenant work. The centers would specialize in identifying opportunities to create contracts useful to more than one installation. They also would tackle the tougher issues of A-76, strategic sourcing, regional and headquarter-level contracts (IMA, TRADOC and FORSCOM) and will include the BASOPS contracting role of the DOC for the installation where the center is located.

How does this affect you? After this transition plus all the joint basing and re-basing initiatives are complete, there will be 5 centers located at **Fort Sam Houston**, TX (home to the ACA headquarters and the **PARC of Centers** and tentatively called the Strategic Sourcing Acquisition Center), **Fort Eustis**, VA (including **Fort Leavenworth**, KS and **Carlisle Barracks**, PA and will be tentatively called the Training and Service Operations Acquisition Center), **Fort Bragg**, NC (tentatively called the Forces Operations Acquisition Center), **Fort Knox**, KY (tentatively called Human Resources Acquisition Center) and **Yuma**, AZ (consisting of Yuma, AZ, White Sands NM, and Dugway Proving Grounds, UT and tentatively called the Yuma Test, Eval, Research & Ranges Acquisition Center).

Forming with **PARC - DOCs** will include most of those DOCs from ACA SR. In addition, **ARCC** will be renamed and will remain at **Fort Dix**, **CDCC** will be renamed as the **Fort Belvoir DOC** and will retain operational control of **Fort A.P. Hill**, **Fort Myer (FMMC)**, **NDU**, and **Arlington National Cemetery**. The DOCs at **Forts Lee** and **Meade** will become “stand alone” offices. The DOCs affected by the joint basing initiatives will remain with their current PARC until reverting to USAF or USN control.

The timing has not been firmed up solidly for all these changes. However, there are two dates to mark on your calendars for this effort. November 15, 2005 is the date of Initial Operating Capability (IOC) and October 1, 2007 is the date of Full Operating Capability (FOC). The IOC will begin our transition to FOC and be marked with VTCs to enhance the communications process, especially welcoming and orienting our new

DOCs from the Southern Region. It is apparent that there may be workload challenges created by this reorganization. It is our hope that they can be identified and any issues be brought forward and worked in plenty of time to


From now until those dates, teams at **ACA**, **ACA NR**, and **ACA SR** will be putting final touches on concept plans and then concentrating on implementation plans. Also during this time, you may be asked for your input and I trust you will provide your positive feedback into this process.

Throughout this process, our goal is to create a more effective organization by developing a common business environment across the country

There still remains much to be done. Ahead, we at ACA NR HQ are working to improve our headquarters structure and looking at how DOCs are structured while improving communications throughout the PARC. At the same time, teams are looking at ways to improve how we serve our customers by standardizing business processes and procedures (where it makes sense), improving our oversight, policy/guidance formulation and better manage professional and technical training for our staff.

You may see drafts of what we are working on and I invite your comments and input. Remember, though, that drafts are not final until all the comments are in and a decision is reached.

Stay tuned and stay open to new and improved ways to what we do best- serving Soldiers!



Aligned under PARC of DOCs

Army Contracting: One Community Serving Our Soldiers, Serving Our Nation

- Aberdeen Proving Grounds
- Fort Belvoir
 - Fort Myer / Fort McNair
 - National Defense University
 - Fort A.P. Hill
 - Fort Hamilton
- Fort Benning
- Fort Bliss
- Fort Campbell
- Fort Carson
- Fort Drum
- Fort Eustis (until joint basing transfer)
- Fort Gordon
- Fort Hood
- Fort Irwin
- Fort Leonard Wood

- Fort Lee (new stand-alone DOC)
- Fort Lewis
- Fort Meade (new stand-alone DOC)
- Fort Polk
- Fort Riley
- Fort Rucker
- Fort Sill
- Fort Dix
 - Fort McCoy
 - Fort Jackson
 - Camp Parks
 - Fort Buchanan
 - RRSC (4)
- Presidio of Monterey
- Fort Stewart
- West Point

U.S. ARMY CONTRACTING AGENCY
NORTHERN REGION

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View from the Trenches

Robert Winne

Contracting Officer

Joint Contracting Command-Iraq (JCC-I)

Facilities & Transportation Sector

Unfortunately, the workload in Baghdad hasn't allowed me the opportunity to provide any input on "this" deployment, other than the following.

I'm currently deployed in Baghdad working at the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A). I am serving as a Contracting Officer within the Facilities and Transportation Sector. I arrived in Baghdad on July 30, and will be here through mid-October assisting with various YE Reconstruction projects. The mission of JCC-I/A is to provide responsive operational contracting support to the Chiefs of Mission, Multi-National Forces-Iraq and Combined Forces Command-Afghanistan and to efficiently acquire vital supplies, services, and construction in support of the Coalition Forces and the relief and reconstruction of Iraq and Afghanistan. How has this applied to me so far? To date, I have executed, facilitated, and awarded contract actions for Bridges, Roads, Highways, Hospitals, Ports, and various Infrastructure repairs.

The workforce here within the JCC-I consists generally of our U.S. Military, representing all branches of service as well as numerous Contract personnel from various U.S. companies. In addition, there are a few (very few) of us Federal employees who selfishly volunteered to serve. Also included within the (contracting) workforce are Iraqi Nationals who serve in various administrative roles within the Command. Collectively, the JCC-I possesses a great deal of experienced personnel who serve as Contracting Officers, Contract Specialists, and administrative personnel with an overall mission of rebuilding Iraq and Afghanistan.

Life here in Baghdad mainly consists of work, sleep, eating, and then some more work! So far, the average daily temperatures have been in excess of 115 degrees with a few days exceeding 125 degrees! Travel is mainly done via your two feet; yet if you do venture through Baghdad in a vehicle, your trip is considerably delayed with the numerous check points. Yes, I've also experience several rocket attacks which have sent us to the fortified bunkers which are located everywhere.

In closing, tanks, helicopters, armed guards, bomb sniffing dogs, and convoys of military vehicles are as common to everyday life in Baghdad as are McDonalds, billboards, convenience stores, ATM's, and shopping Centers in the U.S.

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My Experience in Alabama

Sean Broadway

Contract Specialist

Fort Eustis DOC

It started with an email from Major Shelton asking for volunteers to go help the Federal Emergency Management Agency (FEMA) with evacuees affected by Hurricane Katrina. Like many, I was moved by the terrible images of Katrina evacuees being stranded on house-tops and having houses land on top of their cars. I saw this as an opportunity to help, in some small way. I was also interested in the opportunity to have an adventure out of the office and get some experience "in the field." What I found was indeed a very enriching experience.

I arrived at Montgomery, Alabama to be detached to the FEMA Joint Field Office and work with the Quality Assurance Surveillance Plan Team (QASP) on 11 January 2006. I worked directly with the Contracting Officer Technical Representative (COTR) to ensure contractor compliance with Contracting Officer (KO) directions for the staging, installation, maintenance, and logistical support of temporary housing for evacuees from Hurricane Katrina. As Technical Monitor, I was acting as the eyes and ears of the COTR.

About 3-5 days out of each week I visited the many evacuee housing areas all around the state. Those included interim housing facilities, places where evacuees could obtain temporary shelter for up to 180 days, such as the Birmingham Interim Housing Facility (BIHF); the many State Parks at which FEMA Travel Trailers (TT) are leased; and the TT and Manufactured Home staging and logistical support areas at Selma, AL and Summerdale, AL. (For a visual of a Manufactured Home, think of your high school kid's portable classroom, but longer and better furnished.)

I also worked with the QASP to better the system by which FEMA ensures that service calls on TT are completed in a timely manner, with professionalism, and that they completely address the reported problem. I provided direct support to the COTR, providing the primary source of scrutiny for the contractor-submitted invoices. This involved everything from basic auditing, recordkeeping, tabulations, and task order invoice processing.

This TDY was especially educational about contingency contracting operations and fundamental project management. [If I ever wanted to use parts of the FAR that no one else gets to use, contingency contracting would be my area of choice.] My involvement has been quite enriching from the standpoint of a DOD contract specialist. In the relatively short period of time that I was there, I learned a lot about the communication necessary between contractors and KOs, COTRs and KOs, and the importance of timely intervention by a COTR on behalf of the KO (i.e. preventing unauthorized commitments, reporting higher than normal subcontractor costs).

During my 25 February 2006 flight home I reflected upon my FEMA deployment. I came to two broad conclusions. First, this TDY has taught me to become very meticulous in record keeping of contracting events. Many substantial problems were prevented there by timely, accurate recordkeeping. That principle is something that will always apply to any contracting field, especially the ACA Northern Region. Second, this deployment was a wonderful opportunity to serve my fellow men. I have been part of an organization that helps people made destitute overnight by acts of nature to obtain shelter, food, and other necessities in their hour of need. Nothing about this trip could be as rewarding as serving others, especially the personal experiences wrought in the field where I was able to take care of the evacuees' needs.

With all that I learned and experienced, it was an immensely rewarding experience that I shall long remember.

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On the Regulatory Radar

Mary Paige

Procurement Analyst

ACA NR HQ

A synopsis of FAC 2005-13 (effective September 28, 2006) is provided for your information and implementation. Note highlighted information.

Item I—Implement OMB Policy on the Use of Brand Name Specifications (Interim) (FAR Case 2005-037)

This interim rule amends the Federal Acquisition Regulation (FAR) to implement the memoranda issued by the Office of Management and Budget dated April 11, 2005 and April 17, 2006, requiring agencies to publish on the Governmentwide point of entry (GPE) or e-Buy the documentation required by the FAR to support the use of a brand name specification. The rule is intended to limit the use of brand name specifications and provide for maximum competition. **The above referenced memos were forwarded by an earlier electronic message. Hopefully you are already posting all proposed acquisitions in excess of \$25,000 on GPE.**

Item II—Information Technology Security (FAR Case 2004-018)

The interim rule amended FAR Parts 1, 2, 7, 11, and 39 to implement the Information Technology (IT) Security provisions of the Federal Information Security Management Act of 2002 (FISMA), (Title III of Public Law 107-347, the E-Government Act of 2002 (E-Gov Act)). **The rule focuses on the importance of system and data security by contracting officials and other members of the acquisition team.** The intent of adding specific guidance in the FAR is to provide clear, consistent guidance to acquisition officials and program managers; and to encourage and strengthen

communication with IT security officials, chief information officers, and other affected parties.

Item III—Online Representations and Certifications Application (ORCA) Archiving Capability (Interim) (FAR Case 2005-025)

This interim rule amends FAR Parts 4, 12, 14, and 15 to address the record retention policy where the Online Representations and Certifications Application (ORCA) are used to submit an offeror's representations and certifications. **Under FAR Subpart 4.12, prospective contractors are required to submit Annual Representations and Certifications via the ORCA. Data in ORCA is archived and electronically retrievable. Therefore, when a prospective contractor has completed representations and certifications electronically via ORCA, the contracting officer may reference the date of ORCA verification in the associated Government contract file rather than including a paper copy of the electronically-submitted representations and certifications in the file. Such a reference satisfies contract file documentation requirements of 4.803(a)(11). However, if an offeror identifies changes to ORCA data pursuant to the FAR provisions at 52.204-8(c) or 52.212-3(k), the contracting officer must include a copy of the changes in the contract file.**

Item IV—Inflation Adjustment of Acquisition-Related Thresholds (FAR Case 2004-033)

This final rule adjusts acquisition-related thresholds in the FAR for inflation. It implements Section 807 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Pub. L. 108-375). **Section 807 provides for adjustment every 5 years of acquisition-related thresholds, except for Davis-Bacon Act, Service Contract Act, and trade agreements thresholds. This rule also escalates some nonstatutory acquisition-related thresholds.** Often any impact of these threshold increases will be beneficial, by preventing burdensome requirements from applying to more and more small dollar value acquisitions, which are the acquisitions in which small businesses are most likely to participate. One threshold change in this rule which may temporarily impact small business is the increase of the micro-purchase threshold (FAR 2.101) from \$2,500 to \$3,000, because the simplified acquisition threshold will not be raised at this time. Other frequently used thresholds that are adjusted include—

- The FPDS reporting threshold (FAR 4.602(c)) will be raised from \$2,500 to \$3,000.
- Commercial Items test program ceiling (FAR 13.500) will be raised from \$5,000,000 to \$5,500,000.
- The cost and pricing data threshold (FAR 15.403-4) will be raised from \$550,000 to \$650,000.

The prime contractor subcontracting plan (FAR 19.702) floor will be raised from \$500,000 to \$550,000, but for construction (\$1,000,000) is unchanged.

Additional changes to dollar thresholds are detailed in FAC-13.

Item V—Trade Agreements—Thresholds (FAR Case 2005-030)

This final rule converts the interim rule published at 71 FR 864, January 5, 2006, to a final rule without change. This rule changes the thresholds for application of the World Trade Organization Government Procurement Agreement and the other Free Trade Agreements with Canada, Mexico, Chile, Singapore, and Australia. These threshold increases occur every two years in order to keep pace with inflation. **This final rule has no significant impact or change to your business process.**

Item VI—Reporting of Purchases from Overseas Sources (Interim) (FAR Case 2005-034)

This interim rule amends FAR Part 25 and adds a provision in FAR 52.225 to implement Section 837 of Division A of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Pub. L. 109-115). Section 837 requires the head of each Federal agency to submit a report to Congress relating to acquisitions of articles, materials, or supplies that are manufactured outside the United States. The new provision requests from offerors necessary data regarding place of manufacture. The new provisions will require an offeror to indicate whether the place of manufacture of the end products it expects to provide in response to the solicitation is predominantly inside or outside the United States. **Whenever the place of manufacture for a contract is coded outside the United States, the contracting officer will be required to enter into Federal Procurement Data System (FPDS) the reason for buying items manufactured outside the United States.**

Applicability Date: This amendment is mandatory for solicitations issued and contracts awarded on or after October 1, 2006. To meet the congressionally mandated reporting requirement, agencies may incorporate the new FAR provision 52.225-18 or corresponding requirement at 52.212-3 in solicitations issued or contracts awarded prior to October 1, 2006. Comments are due on or before November 27, 2006.

Item VII—Exception to the Buy American Act for Commercial Information Technology (FAR Case 2005-022)

This final rule converts the interim rule published at 71 FR 223, January 3, 2006, to a final rule without change. This final rule amends FAR 25.103 and Subpart 25.11 to implement Section 535(a) of Division F of the Consolidated Appropriations Act, 2004, and similar sections in subsequent appropriations acts. **Section 535(a) authorizes an exception to the Buy American Act for acquisitions of information technology that are commercial items. The final rule applies to all offerors responding to solicitations for commercial information technology where the Buy American Act previously applied (generally, acquisitions between the micro-purchase threshold and \$193,000). The effect of this exemption is that the following clauses are no longer applicable in acquisition of commercial information technology:**

- FAR 52.225-1, Buy American Act—Supplies,
- FAR 52.225-2, Buy American Act Certificate,
- FAR 52.225-3, Buy American Act—Free Trade Agreements—Israeli Trade Act,

- FAR 52.225-4, Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate.

This is because the Buy American Act no longer applies. The Free Trade Agreement non-discriminatory provisions are no longer necessary since all products now are treated without the restrictions of the Buy American Act.

The Trade Agreements provision and clause at FAR 52.225-5 and FAR 52.225-6 are still necessary when the Trade Agreements Act applies (acquisitions above \$193,000). The Trade Agreements provision and clause already waive applicability of the Buy American Act for eligible products and are needed to implement the restrictions on procurement of noneligible end products. Section 535 and subsequent similar sections waived only the Buy American Act, not all restrictions on the purchase of foreign information technology.

Item VIII—Technical Amendments

Editorial changes are made at FAR 1, 3, 4, 5, 7, 13, 26, 33, 49, 50, 52, and 53 in order to update references.

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Legal Briefs

Roger Neds
Chief, General Counsel
ACA NR HQ

BUNDLING CONTRACT REQUIREMENTS

Where the Whole Must be Less than the Sum of its Parts

Preface. Earlier, I wrote an article on the various legal requirements governing the consolidation of contract requirements, more popularly known as bundling. A major part of the article dealt with the issue of how the consolidation of requirements interacts with the Competition in Contracting Act (CICA). As the article pointed out, this issue of “CICA bundling” is an area created by GAO case law. Since then, the GAO has rendered some additional decisions on this topic which have helped to define the area more clearly. These decisions have also suggested additional options we can offer our customers in meeting this legal obligation while formulating their contractual requirements. Here is an updated version of that article which discusses these additional GAO decisions and potential courses of actions.

Introduction. In virtually every major procurement we advise on, there is some aspect of the acquisition where the customer has consolidated requirements in the contract vehicle. This consolidation, or “bundling” has been a great source of political concern resulting in legislative and regulatory changes. As a result, this area of our practice continues to confuse our customers and frustrate everyone on the acquisition team. The purpose of this article is to give an overview of the three different bundling requirements and their legal bases, when the requirements will

apply to a particular acquisition, and some potential courses of action. My hope is that this will be a tool for helping to explain and advise our customers on this often confusing concept.

Small Business Bundling. The first requirement concerning bundling stems from the Small Business Act (SBA). It is this definition of “bundling” that is found at FAR Part 2.101(b). That provision states that bundling occurs when two or more requirements that had been previously procured under separate smaller contracts are consolidated into a solicitation for a single contract that is unsuitable for award to a small business concern. Under this definition, a requirement is not “bundled” if it had been previously acquired as a consolidated requirement or if the consolidated requirement is suitable for a small business award. Consequently, both the past procurement history and the ability of small business to compete are key to determining whether a requirement is bundled. Only if both of these conditions are present, would a proper bundling analysis that demonstrates that the bundling is cost effective be required before the acquisition could occur.

Section 801 Bundling. Section 801 of the 2004 Authorization Act is the most recent legislation dealing with bundling and is implemented at DFAR Part 207.170. That section defines consolidation of contract requirements to be when an agency uses a single contract to satisfy two or more requirements that had been previously acquired under separate smaller contracts lower in cost than the total cost of the consolidated contract. As in small business bundling, the Section 801 bundling requirements do not apply if the requirements had been procured together previously. However, should the requirement fall under the purview of Section 801 and the procurement is expected to exceed \$5 million, then a number of items must be addressed in the acquisition strategy. These include a requirement for a market survey, an analysis of possible alternate contracting approaches, and a determination by the senior procurement executive that the consolidation is necessary and justified. The statute and regulation go on to address the issue of administrative convenience and savings by providing that such savings must be substantial in relation to the total cost of the procurement before these types of savings can justify the consolidation. Finally, the small business personnel are required to do annual reviews to determine the impact that such consolidations have had on small businesses both as prime and subcontractors.

In many ways, these two provisions complement each other. Both apply only to newly consolidated requirements. Both also have provisions that show a concern for small business. The primary difference is what happens when a requirement is found to be bundled. If a requirement is bundled under the SBA definition, then the agency has a generalized requirement to conduct a bundling analysis. If a requirement is bundled under the Section 801 definition, there is specific guidance on what at least a portion of the analysis must contain that must be addressed in the acquisition strategy.

CICA Bundling. In addition to the statutory and regulatory requirements, a doctrine has developed where the “bundling” of requirements may run afoul of the

Competition in Contracting Act (CICA). This notion of CICA bundling is a concept arising strictly from GAO bid protest decisions and is not contained in any acquisition statute or regulation. Since the passage of CICA, there has been a tension between the ways an agency may define its requirements and whether that particular definition hinders full and open competition. Over the years the GAO has issued a number of decisions in this area to include decisions where agencies have tried to join requirements. However, in 2002, the GAO started using the term “bundling” in these kinds of decisions and developed the concept of CICA bundling.

The case that actually established CICA bundling as a separate concept which served as a basis to sustain a protest is Vantex Service Corporation, B-290415. The solicitation challenged in Vantex was a small business set-aside to acquire portable latrine rental services and waste removal services at Fort Campbell. Fort Campbell had been acquiring these services together since the mid 1980s. Vantex could perform the portable latrine portion of the requirement but not the waste removal portion. Since it could not offer on the one consolidated requirement, it filed a protest alleging that the requirement was improperly bundled. The Army responded by arguing that it was administratively easier to award and handle one contract, that this requirement had a long history of being successfully fulfilled in this way, and that the requirement still generated adequate small business competition. The GAO ruled in favor of the protestor stating that by keeping those offerors who could only perform one of the functions out of the competition, the Army violated CICA. The GAO went on to hold that “administrative convenience” by itself would not justify bundling requirements. Rather, the Army would need to demonstrate that it realized a real savings from combining the requirements.

The Vantex decision teaches a number of important points. First, the case establishes the importance of the distinct concept of “CICA bundling.” Second, although a procurement may not violate the FAR Part 2 definition of “bundling”, the procurement may still violate the doctrine of “CICA bundling.” In this regard, note that Fort Campbell had acquired the services on a combined basis in the past and that the procurement was a small business set-aside. Either of these factors alone would keep the procurement from being bundled under the FAR and Small Business Act definitions. That was not enough to sway the GAO. Third, the GAO makes it very clear that administrative convenience by itself will never justify combining requirements.

While the GAO has now issued a number of decisions in this area, there is one other case that is particularly noteworthy. EDP Enterprises, B-284533.6 involved a small business set aside competition among private offerors in the A-76 study for the Directorate of Logistics at Fort Riley. All of the functions under the Directorate of Logistics (DOL) were combined into one package for proposals by the private offerors. Prior to the A-76 competition, the food service work had been performed by EDP under a separate contract. EDP protested the consolidation of the food service work with the rest of the DOL functions in the A-76 study. EDP argued that this consolidation constituted improper bundling since EDP could not offer on the whole package of DOL functions but only on the food service portion. The GAO agreed that this was “bundling” and looked to see if the Army had a proper justification for combining the requirements. The Army argued that this consolidation was in

accordance with its long standing doctrine where food services are grouped with the other logistics functions and that this grouping is in fact the way the Army organizes to go to war.

The GAO rejected this argument and found the grouping of the requirements was improper "CICA bundling." The GAO language on this point is very revealing:

We do not question the agency's decision to classify food services as logistics support functions to be administered by the DOL. Rather, our concern is whether the agency has provided a reasonable justification of its needs in terms of including food services in the same RFP with base, vehicle, and aircraft maintenance services. In our view, the fact that the agency is organized in a manner which results in the administration of the performance of all of these functions by one particular office (which may in itself be reasonable) does not provide a basis for insisting that all of these varied services be procured from one source.

The clear lesson from EDP is that just as administrative convenience is an inadequate justification for combining requirements, so is the fact that a group of requirements may be within the responsibility of a single directorate.

Adequate Justification. When requirements are consolidated, the Government can proceed to procure the consolidated requirements without violating CICA if it has adequate justification. The GAO has issued several opinions where it has found adequate justification. The first of these is Teximara Inc., B-293221.2. In this procurement, the Air Force combined fourteen requirements into a single requirement as part of an A-76 study. The Air Force (perhaps in light of the EDP decision) assembled a 114 page study in two sections that analyzed the combination of these requirements and demonstrated that there would be economic savings as a result of the consolidation. The study was performed by an in-house team of several individuals and took about six months to complete. The Air Force study was clearly the type of business case analysis the GAO found lacking in EDP and some of the earlier cases where protests were sustained. While the Teximara decision provides an example as to what constitutes a proper justification for bundling requirements, the time, effort, and expense necessary to do this kind of analysis on every potentially bundled requirement makes this solution problematical in many situations for our customers.

In American College of Physician Services Inc; COLA, B-294881, B-294881.2, the GAO upheld a different basis for consolidating requirements. This procurement combined the acquisition of professional accreditation services and laboratory proficiency testing services for U.S. Navy hospitals. In responding to the protest, the Navy did not offer any economic justification for the consolidation of the two requirements. Rather the Navy argued that the requirements needed to be joined because of mission performance reasons. The Navy had experienced problems with reporting delays between the contractor who oversees proficiency testing and the contractor who made the accrediting determinations. By having one contractor performing both requirements, the Navy concluded that it was more likely to obtain

an immediate review and the monitoring of test results needed to keep a laboratory accredited and functioning. The GAO found the Navy's analysis to be reasonable and an adequate justification for bundling the two requirements.

In B.H. Aircraft Company Inc., B-295399.2, the GAO relied both on an economic argument and a mission necessity argument in its denial of a CICA bundling protest. This acquisition was for the procurement of spare parts for the F404 aircraft engine. Prior to this acquisition, the spares had been procured from a number of different small businesses. The strategy developed by the Defense Logistics Agency (DLA) was to have one contractor that would provide logistical support, sourcing and supply of all spares. To justify this consolidation, DLA prepared a "rough order of magnitude" business case analysis that compared the ongoing costs of the supply of spares to the expected cost to the Government under the new scheme. DLA concluded that by being able to reduce inventory to a 120 day reserve and by control of the supply chain, it would save \$28.3M over five years. DLA also argued that the overall management of the spare parts process was necessary to prevent shortages of parts and maintain the military readiness of the aircraft. The GAO found that this combination of economic analysis and mission necessity was adequate justification for the consolidated requirement.

Potential Courses of Action. In light of the recent GAO case law in this area, the question becomes: what alternatives may we offer our customers to help them acquire the goods and services they need in a timely and efficient manner? I believe there are four possible courses, each of which has pros and cons that must be weighed depending on the individual circumstances of the procurement. However, all of these solutions require the customer and the Contracting Officer to have a solid understanding of the marketplace they are dealing with. A thorough market survey, close contacts with the small business community, and an understanding of any past procurement history are all essential in advising our customer on the proper course.

The first alternative is to do the kind of economic, business case analysis that the GAO has consistently referred to in their decisions and approved in the Teximara case. Assuming the study supports the consolidation of requirements, this approach will give the customer the single contact he/she wants and do it in a way that is virtually immune from a protest. The downside is the obvious expenditure of resources, both money and time, that this will cost the Government. Realistically, most studies like this would be done through contract. That will still cost the customer the money to do the study and require a lot lead time. One way to help the customer to some degree would be for ACA to put a master contract(s) in place for this service where the Contracting Officer could just write a delivery order and the study could be started quickly.

The second alternative is for the Government to show that the consolidation is necessary to ensure mission success. Under this approach, the customer may be able to adequately justify a bundled requirement without going through the time and expense of a full blown business case study that was done in Teximara. Additionally, if successful in this approach, the customer would be assured of only having the single contact that it desires.

However, for this approach to have any chance of success, the Government must demonstrate a direct linkage between the consolidation decision and the execution of the mission. In EDP, the fact that Government wanted its contract to be in alignment with its organizational structure was not enough to justify the consolidation of requirements. However, in American College of Physician Services, the showing that the consolidation would prevent the risk of a medical laboratory not being accredited and subsequently being ineffective was the kind of direct linkage that could support a bundling decision. Similarly, in B.H. Aircraft, the GAO cited to the increase in the ability to maintain military readiness of the aircraft as a reason to justify a bundling decision. In both of these cases, the Government was able to directly link the need to consolidate requirements to specific mission performance.

Finally there is one cautionary note that must be kept in mind in following this course of action. While the GAO has consistently held that a proper business case analysis will justify a bundling decision, the concept of justifying a bundling decision on the basis of mission necessity is still a relatively undeveloped concept in the case law. The American College of Physician Services case is the only opinion where a mission necessity argument was enough by itself to justify a bundling decision, and that decision involved combining two very narrow and technical requirements. It is still unclear how the GAO will judge this approach in the larger, broader procurements that we perform for our customers.

The third alternative involves restructuring the procurement. Under this approach, the solicitation would permit offerors to offer on a single or combination of requirements to include a possible offer on all requirements. Part of the evaluation criteria would be for those offerors who choose to offer on a combination of requirements to demonstrate the savings they generate by combining requirements. This could include items such as cross-training, combining overlapping functions, or utilizing a common management approach. The source selection evaluation board would then evaluate the various approaches and recommend the approach or combination of approaches that would provide the best value to the Government. In effect, this course of action transfers the effort that would be done up front under the first alternative and asks the offerors to provide the kind of data and analysis we need to have.

The obvious advantage is that this will save the upfront expenditure of resources that a customer is facing under the first alternative. However, there are two potential downsides to this approach. The first is the customer will not have any reasonable expectation ahead of time as to how his/her requirements will eventually be met. While it is easy to say that such an expectation should not matter since the customer will, in the end, get the best value, such an approach discounts the "human factor" that is crucial to good customer relations.

The other downside is that this will add an extra burden to what we expect from our evaluators. For a small number of requirements, this should not be a big problem and the approach could work very well. However, this approach will become more complex as the number of combined requirements increases. At some point, a procurement could bundle so many requirements that it would be impossible for an offeror to consider the possible combinations or for an evaluation team to judge them all.

Finally, no discussion of this alternative is complete without one caveat. There are no cases where this approach has been tested in a protest before the GAO. However, it is the consensus of the senior attorneys in ACA that if done properly, this approach is highly likely to survive any GAO protest. If there are any acquisitions in the pipeline where this approach looks attractive, please let me know as we are on the look out for the right case to try this method.

The fourth alternative is perhaps the simplest of all and at the same time the most radical. This approach would entail issuing the solicitation in the normal course of business and waiting to see if a bundling protest is filed. The obvious advantage of this approach is that the customer avoids all of the resource issues and troubles involved in doing a business study while still retaining the possibility of getting a single or few awardees. The downside is that should a protest be filed, it will in all likelihood be a winner and corrective action will have to be taken. Under the current rules, such a protest would have to be filed by the closing date of the solicitation, so any challenge would be known early in the process.

In my discussions with attorneys and acquisition professionals, this approach is sometimes viewed as unseemly or an attempt to circumvent the rules. What these comments truly address is the fact that as the keepers of the government acquisition process, we have an obligation to make sure all offerors are treated fairly and that the process we use appears to be a fair process. For that reason, before embarking on this course of action, the Contracting Officer must, at a minimum, do thorough market research and ensure that the procurement is properly publicized and vetted with the small business community. When this is completed, the Contracting Officer may decide to recommend this course of action if, based on all of the facts and circumstances, he/she is satisfied that the requirements do not violate CICA and that he/she has a high degree of confidence that a protest is not forthcoming.

In summary, the problems with consolidating requirements are far more difficult and complex than one would expect from just reading the FAR. The concept of CICA bundling is an area the GAO continues to enforce strongly. This will pressure our customers to make decisions and expend resources beyond what they would reasonably expect. This becomes even more difficult since the concepts behind CICA bundling are in many ways counter intuitive to notions that our customers have about what makes good business sense. For those reasons, it is imperative that we educate our customers in this area early on, and that we take an active role as business advisors to steer them to the course of action that will help them best meet their needs while staying within the bounds of the law. To this end, early involvement by both the Contracting Officer and supporting legal counsel is crucial.

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